Reg. No. KRNA—25.

Karnataka Gazette

PUBLISHED BY AUTHORITY

(EXTRAORDINARY)

PART IV—2-A

BANGALORE FRIDAY, FEBRUARY 14, 1975 (MAGHA 25,-SAKA ERA 1896) | No. 343

KARNATAKA LEGISLATIVE ASSEMBLY

NOTIFICATION

No. 12252 LA, Bangalore, dated 14th February 1975.

The following Bill was introduced in the Legislative Assembly on the 14th February 1975.

THE KARNATAKA URBAN LAND TAX BILL, 1975

(L.A. Bill No. 2 of 1975)

A Bill to provide for the levy of tax on urban land in the State of Karnataka.

Whereas it is expedient to provide for the levy by the State Government of tax on urban land in the State of Karnataka;

Be it enacted by the Karnataka State Legislature in the Twenty-sixth Year of the Republic of India as follows :—

1. Short title, extent and commencement.—(1) This Act may be called the Karnataka Urban Land Tax Act, 1975.

(2) It extends to the whole of the State of Karnataka.

(3) (a) It shall come into force on the first day of April, 1975 in the City of Bangalore, the City of Hubli-Dharwar and the city municipalities of Mysore, Mangalore, Belgaum, Gulbarga, Bellary, Davangere, Bijapur, Shimoga and Bhadravathi.

(b) It shall come into force in such other cities, city municipalities and town municipalities on such date or dates as the State Government may, by notification, specify and different dates may be specified for different cities, city municipalities and town municipalities.

2. Definitions.—In this Act, unless the context otherwise requires—

(1) "appointed date" means—

(i) in relation to the areas specified in clause (a) of sub-section (3) of section 1, the first day of April, 1975; and

(ii) in relation to any area specified under clauses (b) of sub-section (3) of section 1, the first day of April of the financial year in which the notification under the said clause is published in the official Gazette;

(2) "assessee" means a person by whom urban land tax is payable under this Act and includes every other person in respect of whom any proceeding under this Act has been taken for the determination of the urban land tax payable by him;

(3) "Assistant Commissioner" means the Assistant Commissioner of Urban Land Tax appointed under section 4;

(4) "building" includes a house, out-house, stable, latrine, godown, shed, hut, wall and any other structure, whether of masonry, bricks, mud, wood, metal or pay other material whatsoever;

(5) "city of Bangalore" means the area for the time being within the limits of the City of Bangalore as defined in the City of Bangalore Municipal Corporation Act, 1949 (Karnataka Act 69 of 1949), and includes the area within a distance of sixteen kilometeres from such limits;

(6) "city of Hubli-Dharwar" means the area for the time being within the limits of the City of Hubli-Dharwar notified under section 3 of the Bombay Provincial Municipal Corporation Act, 1949 (Bombay Act LIX of 1949) and includes the area within such distance not exceeding sixteen kilometres as may be notified by Government from such limits;

(7) "city municipality" means a city municipality constituted under the Karnataka Municipalities Act, 1964 (Karnataka Act 22 of 1964) and includes the area within

such distance not exceeding sixteen kilometres as may be notified by Government, from the limit of such municipality;

(8) "Commissioner" means the Commissioner of Urban Land Tax appointed under section 4;

(9) "Deputy Commissioner" means the Deputy Commissioner of Urban Land Tax appointed under section 4;

(10) "each urban land" means the land comprised in any plot of land whether built upon or not, and includes in areas in which a city survey has been made, a survey number or a sub-division number;

(11) "occupier" includes—

(a) any person for the time being paying or liable to pay to the owner rent or any portion of the rent of the urban land or of the building constructed on the urban land or part of such land or building in respect of which the word is used or the damages on account of the occupation of such land, building or part; and

(b) a rent-free occupant;

(12) "owner" includes—

(i) any person (including a mortgagee in possession) for the time being receiving or entitled to receive, whether on his own account or as agent, trustee, guardian, manager or receiver for another person or for any religious or charitable purposes, the rent or profits of the urban land or of the building constructed on the urban land in respect of which the word is used;

(ii) any person in possession of urban land with or without a building constructed thereon which has been

granted, allotted or leased by an Improvement Trust Board, the Karnataka Housing Board or any local authority, subject to the condition that the tax in respect of such land or building shall be payable by the grantee, allottee or lessee concerned;

(13) "Schedule" means a Schedule appended to the Act;

(14) "town municipality" means a town municipality or a notified area or a sanitary board area constituted or deemed to be constituted under the Karnataka Municipalities Act, 1964 (Karnataka Act 22 of 1964) and includes the area within such distance not exceeding sixteen kilometres as may be notified by Government from the limits of such municipality or notified area or sanitary board area;

(15) "Tribunal" means a Tribunal constituted under section 19.

(16) "urban area" means the urban area referred to in section 6.

(17) "urban land" means any land which is used or is capable of being used as a building-site and includes the garden and grounds, if any, appurtenant to a building, but does not include any land which is registered as land used for agricultural purposes in the revenue accounts of the Government and is actually used for such purposes

Explanation.—For the purposes of this clause,—

(i) any site on which building has been constructed shall be deemed to be urban land;

(ii) any land which is registered as land used for agricultural purposes in the revenue accounts of the Govern-

ment but on which no crops are actually grown shall be deemed to be urban land; and

(18) "Urban Land Tax Officer" means the Urban Land Tax Officer appointed under section 4.

CHAPTER II.

Levy of Urban Land Tax.

3. Levy of urban land tax.—Subject to the other provisions of this Act, there shall be levied and collected by the State Government for every financial year commencing from the appointed date a tax on each urban land (hereinafter referred to as the urban land tax) from the owner of such urban land at the rate specified in the Schedule.

CHAPTER III.

Urban Land Tax Authorities.

4. Urban Land Tax Authorities.—(1) There shall be the following classes of urban land tax authorities for the purposes of this Act, namely.—

(a) The Commissioner of Urban Land Tax;

(b) The Deputy Commissioner of Urban Land Tax;

(c) Assistant Commissioners of Urban Land Tax;

(d) Urban Land Tax Officers.

(2) The Authorities specified in sub-section (1) shall be appointed by the State Government and shall exercise, discharge and perform such powers, duties and functions as are assigned to them by or under this Act. The authorities specified in clauses (b), (c) and (d) of sub-section (1) may be authorised to exercise such powers, discharge such duties and perform such functions under this Act in respect of such areas, such classes of persons or such classes of urban lands in such areas as may be specified by the State Government.

(3) The State Government may, by notification empower any officers (other than the authorities specified in sub-section (1)) including officers of any local authority to exercise such powers, discharge such duties and perform such functions under this Act in respect of such areas, such classes of persons or such classes of urban land in such areas, as may be specified in the notification.

(4) Where an owner holds in an urban area urban land within the jurisdiction of more than one Assistant Commissioner, the Assistant Commissioner within whose jurisdiction the major extent of urban land is held, shall be the Assistant Commissioner having jurisdiction in respect of the entire extent of the urban land held by such owner in such urban area.

(5) Where an owner holds in the same urban area equal extent of urban land within the jurisdiction of more than one Assistant Commissioner, the Commissioner may, suo moto or on application made by such owner, specify by order as to which Assistant Commissioner shall have jurisdiction in respect of the entire extent of urban land held by such owner in such urban area.

(6) The authorities specified in sub-section (1) and the officers empowered under sub-section (3) shall be deemed to be public servants within the meaning of section 21 of the Indian Penal Code (Central Act 45 of 1860).

(7) All officers and persons employed in the execution of this Act shall observe and follow the orders, instructions and directions of the Commissioner.

CHAPTER IV.

Determination of market value and assessment of Urban Land Tax.

5. Market value of urban land.—(1) For the purposes of this Act, the market value of any urban land shall be estimated to be the price which in the opinion of the Assistant Commissioner or the Tribunal, as the case may be, such urban land would have fetched or fetch, if sold in the open market on the appointed date.

(2) While determining the market value of the urban land the following factors shall be taken into consideration, namely :—

(i) the price obtained at the relevant time for urban lands more or less similarly situated in the neighourhood;

(ii) the relative advantages and disadvantages when compared with urban lands referred to in item (i); and

(iii) such other factors as may be prescribed;

6. Urban areas.—For the purposes of this Act, the area comprising—

(a) the City of Bangalore;

(b) the City of Hubli-Dharwar;

(c) a city municipality in which the Act has come into force; and

(d) a town municipality in which the Act has come into force,

shall each constitute a separate urban area.

7. Owner of urban land liable to submit return.—Every owner of urban land liable on the appointed date

to pay urban land tax under this Act shall within a period of sixty days from,—

(a) in the case of an owner of urban land in any area specified in clause (a) of sub-section (3) of section 1, the date of publication of this Act in the official Gazette; and

(b) in the case of an owner of urban land in any area specified under clause (b) of sub-section (3) of section 1, the date of publication of the notification under the said clause in the official Gazette,

furnish to the Assistant Commissioner having jurisdiction a return in respect of each urban land containing the following particulars, namely :—

(i) name of the owner of the urban land or lands;

(ii) the extent of the urban land or lands;

(iii) the name of the division or ward and of the street, municipal number, survey number and sub-division number of each of the urban land and other particulars of such urban land;

(iv) the amount which in the opinion of the owner is the market value of the urban land; and

(v) such other particulars as may be prescribed:

Provided that in the case of a person or owner of urban land who acquires by inheritance, bequest, purchase or otherwise urban land after the expiry of the period specified above and thereby become liable to pay urban land tax under this Act such return shall be furnished within sixty days from the date on which he becomes so liable.

8. **Return by whom to be signed**—The return made under section 7 shall be signed and verified—

(a) in the case of an individual by the individual himself; where the individual is absent from India by the individual concerned or by some person duly authorised by him in this behalf; and where the individual is mentally

incapacitated from attending to his affairs, by his guardian or by any other person competent to act on his behalf;

(b) in the case of a Hindu undivided family by the manager and where the manager is absent from India or is mentally incapacitated from attending to his affairs, by any other adult member of such family;

(c) in the case of a company by the principal officer thereof;

(d) in the case of a firm by any partner thereof not being a minor;

(e) in the case of any other association by any member of the association or the principal officer thereof; and

(f) in the case of any other person by that person or by some person competent to act on his behalf.

9. Collection of information.—If any owner of urban land fails to furnish the return under section 7, the Assistant Commissioner may obtain the necessary information in respect of the particulars specified in section 7 and such other particulars as he may deem necessary to determine the market value of such urban land either by himself or through such agency as he thinks fit.

10. Determination of market value.—(1) After the expiry of the period fixed for furnishing return under section 7, the Assistant Commissioner shall examine the particulars mentioned in the return, if any, the information collected under Section 9 if any make such enquiry and obtain of such information and shall serve a notice on the owner in respect of each urban land specifying therein—

(a) the extent of the urban land;

(b) the amount which, in the opinion of the Assistant Commissioner, is the correct market value of the urban land, and

direct him either to attend in person at his office on a date to be specified in the notice or to produce or cause to be

produced on that date any evidence on which the owner may rely in support of his return if any.

(2) The Assistant Commissioner after hearing such evidence, as the owner may produce in pursuance of notice under sub-section (1) and such other evidence as the Assistant Commissioner may require on any specified points, shall, by order in writing, determine the market value of the urban land and the amount of urban land tax payable in respect of such urban land.

(3) Where the owner has failed to attend or to produce evidence in pursuance of the notice under sub-section (1), the Assistant Commissioner shall, on the basis of the information obtained by him under section 9 and enquiry made under sub-section (1) by order in writing, determine the market value of the urban land and the amount of the urban land tax payable in respect of such urban land.

11. **Copy of order to be sent to the assessee, Deputy Commissioner and Urban Land Tax Officer.**—A copy of the order passed under section 10 shall be served on the owner in such manner as may be prescribed and a copy of the said order shall also be sent to the Deputy Commissioner and the Urban Land Tax Officer concerned.

12. **Duration of market value determined under section 10.**—(1) The market value of urban land determined under section 10 shall remain in force—

(a) for a period of five years from the appointed date, or

(b) for a further period not exceeding five years as the State Government may, by notification direct.

(2) After the expiration of the period of five years referred to in clause (a) of sub-section (1) the State Government may, and after the expiration of the further period referred to in clause (b) of sub-section (1), the State Government shall, direct revision of the market value.

(3) All the provisions of this Act shall, as far as may be, apply to the determination of the market value in pursuance of a direction under sub-section (2) as they apply to the determination of market value for the first time after the appointed date.

(4) For the purposes of revision of the market value under sub-sections (2) and (3)—

(a) the reference in section 5 and 7 and sub-section (1) to "the appointed date" shall be constructed as a reference to the first day of April of the financial year in which the direction under the said sub-section (2) is issued; and

(b) the period of sixty days referred to in section 7, shall be computed from the date on which such direction is issued.

13. Notice of demand.—(1) After the determination of the market value and of the amount of the urban land tax under section 10, the Urban Land Tax Officer shall cause a notice of demand to be served on the assessee. Such notice shall specify the amount of the urban land tax payable by the assessee and shall contain such other particulars as may be prescribed.

(2) The notice referred to in sub-section (1) shall call upon the assessee to pay within a period of thirty days from the date of service of the notice the urban land tax specified in the notice.

(3) Where the urban land tax payable by the assessee is not paid before the expiry of the period specified in the notice, the urban land tax shall be recovered from the assessee as arrears of land revenue.

14. Separate notice of demand for each financial year.—In respect of the urban land tax payable for every financial year or part thereof, there shall be a separate notice of demand containing the particulars mentioned in section 13, and it shall be served on the assessee.

15. Urban land tax escaping assessment.—If the Assistant Commissioner has reason to believe that for any reason any urban land has escaped assessment or has been wrongly or incorrectly assessed for any financial year, he may, within such period and after following such procedure as may be prescribed, proceed to assess or reassess such urban land and the provisions of this Act shall, as far as may be, apply to such assessment or re-assessment.

16. Urban land tax to be first charge on urban land.—The urban land tax shall, notwithstanding anything contained in any other law for the time being in force, or any custom, usage or contract or decree or order of a court or other authority be a first charge upon the urban land and upon the immovable property if any found within or upon such urban land and belonging to the person liable to pay such tax.

17. Recovery from occupier of urban land in certain cases.—(1) Where the owner of any urban land is [illegible] not the occupier thereof and is in default of payment of the urban land tax, such tax may be recovered from the occupier of such urban land in the manner prescribed.

(2) (a) Any occupier who has paid the urban land tax under sub-section (1) shall be entitled to deduct the amount so paid from the amount of rent or any other sum due from time to time to the owner or intermediary, if any.

(b) The intermediary shall be entitled to deduct such amount from the amount of rent or other sum due from time to time to the owner.

Explanation.—In this section "intermediary" means any person who, not being an owner has an interest in the urban land, and is entitled, by reason of such interest, to possession thereof, but has transferred such possession to others.

18. Obligation of transferor and transferee to give notice of transfer.—(1) Whenever the title of any person

primarily liable to the payment of urban land tax on any urban land is transferred, the person to whom the same is transferred shall, within three months after the execution of the instrument of transfer or after the transfer is effected, if no instrument be executed, give notice of such transfer to the Urban Land Tax Officer.

(2) In the event of the death of any person primarily liable as aforesaid, the person to whom the title of the deceased shall be transferred as heir or otherwise, shall give notice of such transfer to the Urban Land Tax Officer within one year from the death of the deceased.

(3) The notice to be given under this section shall be in such form as may be prescribed and the transferee or the person to whom the title passes, as the case may be, shall, if so required, be bound to produce before the Urban Land Tax Officer, any document evidencing such transfer or succession.

(4) Every person who makes a transfer as aforesaid, without giving such notice to the Urban Land Tax Officer, shall (in addition to any other liability which he may incur through such neglect), continue to be liable for the payment of the urban land tax, assessed on the urban land transferred, until he gives notice or until the transfer shall have been recorded in the revenue registers, but nothing in this section shall be held to affect the liability of the transferee, for the payment of the said tax.

CHAPTER V

Appeal

19. Tribunal.—(1) The State Government shall constitute as many Tribunals as may be necessary for the purposes of this Act.

(2) Each Tribunal shall consist of one person who shall be a judicial officer of the rank of a District Judge.

(3) Each Tribunal shall have such jurisdiction as the State Government may, by notification from time to time determine.

(4) For any area for which a Tribunal has not been constituted the District Judge having jurisdiction over such area shall exercise all the powers and perform all the duties and functions of the Tribunal under this Act.

20. Appeal to the Tribunal against orders of Assistant Commissioner.— (1) (a) Any assessee objecting to any order passed by the Assistant Commissioner under section 10 may appeal to the Tribunal within thirty days from the date of the receipt of the copy of the order.

(b) Any person denying his liability to be assessed under this Act may appeal to the Tribunal within thirty days from the date of the receipt of the notice of demand relating to the assessment :

Provided that no appeal shall lie under clause (a) or clause (b) of this sub-section unless the urban land tax has been paid before the appeal is filed.

(2) The Deputy Commissioner may, if he objects to any order passed by the Assistant Commissioner under section 10, direct the Urban Land Tax Officer concerned to appeal to the Tribunal against such order, and such appeal may be filed within sixty days from the date of the receipt of the copy of the order by the Deputy Commissioner.

(3) The Tribunal may admit an appeal after the expiry of the period referred to in clause (a) or clause (b) of sub-section (1) or in sub-section (2), as the case may be, if it is satisfied that there was sufficient cause for not presenting it within that period.

(4) An appeal to the Tribunal under this section shall be in the prescribed form and shall be accompanied by such fee as may be prescribed.

(5) The Tribunal may after giving both parties to the appeal an opportunity of being heard, pass such orders thereon, as it thinks fit and shall communicate any such orders to the assessee and to the Deputy Commissioner in such manner as may be prescribed.

(6) Any order passed by the Tribunal under this section shall be final.

21. Refund.—(1) Where as a result of any order passed in appeal or other proceeding under this Act,—

(a) refund of any amount becomes due to the assessee, such amount shall be refunded to him without interest; or

(b) any further amount of tax is due from the assessee, such amount shall be collected in accordance with the provisions of this Act.

(2) Where under any of the provisions of this Act, a refund is due to any person, the Urban Land Tax Officer may in lieu of payment of the refund set off the amount to be refunded or any part of that amount against the sum, if any, remaining payable under this Act by the person to whom refund is due after giving an intimation in writing to such person of the action proposed to be taken under this section.

CHAPTER VI

Special Provisions

22. Urban Land Tax to be in lieu of, and in addition to certain taxes.—The urban land tax payable under this Act in respect of any urban land shall be in lieu of,—

(i) the land revenue assessment including non-agricultural assessment levied or demanded to be levied under the Karnataka Land Revenue Act, 1964 (Karnataka Act 12 of 1964);

(ii) the ground rent;

(iii) the jodi or quit rent;

(iv) such other amount as the State Government may by special order, specify,

payable to the State Government in respect of such land; but shall be in addition to any other tax on such land payable under any other law for the time being in force.

23. Urban Land tax not to be taken into account for compensation in certain cases.—Notwithstanding anything contained in this Act or in any other law for the time being in force, the urban land tax payable under this Act shall not be taken into account for the purposes of payment of compensation under any law providing for the acquisition by the State of any land or any rights therein, to which the provisions of Article 31A or 31B of the Constitution are applicable.

24. Addition of urban land tax to rent in certain cases.—(1) Notwithstanding anything contained in the Karnataka Rent Control Act, 1961 (Karnataka Act 23 of 1961), where in any case urban land tax is payable in respect of any land under this Act the authority empowered to fix the fair rent under the said Act may, on application by the owner, add to the annual rent aforesaid, an amount equal to the urban land tax payable under this Act.

(2) In exercising the powers under this section, the authority concerned shall have regard to such principles as may be prescribed.

25. Concession in respect of residential buildings.—(1) Where any building is occupied by the owner thereof solely for residential purposes and where the owner makes an application to the Urban Land Tax Officer, that officer shall, subject to such rules as may be prescribed in this behalf and after satisfying himself about the facts stated in the application, reduce by fifty per cent urban land tax payable on the urban land on which the building has been constructed and on the urban land appurtenant to such building.

(2) The application under sub-section (1) shall be made in such form and within such period as may be prescribed.

26. Power of State Government to exempt or reduce urban land tax.—(1) The State Government, if satisfied that the payment of urban land tax in respect of any class of urban lands or by any class of persons will cause undue hardship, it may, subject to such rules as may be made in this behalf, by order,—

(a) exempt such lands or persons from the payment of the urban land tax; or

(b) reduce the amount of such urban land tax, whether prospectively or retrospectively.

(2) The State Government may at any time cancel or modify any order issued under sub-section (1) and upon such cancellation or modification, the entire amount of urban land tax or the amount of urban land tax due under the modified order, as the case may be, shall be payable in respect of the land concerned with effect from the financial year in which such cancellation or modification is made:

Provided that no such cancellation or modification shall be made unless the party likely to be affected by such cancellation or modification has had a reasonable opportunity of making his representations.

27. Conversion of agricultural land into urban land.—Where any land which is registered as land used for agricultural purposes in the revenue accounts of the State Government and actually used for cultivation of crops is permitted to be used for any non-agricultural purposes or is used for any non-agricultural purpose, after the appointed date, the owner of such land shall be liable to pay urban land tax with effect from the financial year in which such permission is granted or actual use is made.

CHAPTER VII

Exemptions

28. Exemptions.—Nothing in this Act shall apply to-

(a) any urban land owned by the State Government of the Central Government;

(b) any urban land owned by the Karnataka Housing Board, a municipal corporation, municipal council, notified area committee, Sanitary Board, Improvement Trust Board, Taluk Development Board, Village or Town Panchayat, or any other local authority, except land in respect of which any person is an owner as defined in sub-clause (ii) of clause (12) of section 2;

(c) any urban land set apart for public worship and is actually so used;

(d) any urban land on which a hospital primarily maintained by the State Government, any local authority or such other authority specified by notification by the State Government in this behalf has been constructed and any urban land appurtenant to such hospital;

(e) any urban land solely used for purposes connected with the disposal of the dead;

(f) such urban land owned by any school, college or university, as the State Government may, by notification specify;

(g) any urban land solely used for purposes of student hostels which are not established or conducted for profit;

(h) urban land used—

(i) for charitable purposes of sheltering destitute persons or animals;

(ii) for orphanages, homes and schools for the deaf and dumb and for the infirm and diseased;

(iii) for asylum for the aged and for fallen women,

(iv) for such other philanthropic institutions as the State Government may, by notification, specify;

(i) any urban land used for the preservation of ancient monuments;

(j) any urban land on which any building used for purposes of schools, colleges or universities has been constructed and any urban land appurtenant to such building, and any urban land used for public parks, public libraries, public museums or used as play-grounds attached to schools, colleges or universities.

CHAPTER VII

Miscellaneous

29. Revision by the Commissioner.—(1) The Commissioner may, either on his own motion or on application made by the assessee in this behalf, call for and examine the records of any proceeding under this Act not being a proceeding in respect of which an appeal lies to the Tribunal under section 20 to satisfy himself as to the regularity of such proceeding or the correctness. legality or propriety of any decision or order passed therein, and if, in any case, it appears to the Commissioner, that any such decision or order should be modified, annulled, reversed or remitted for reconsideration, he may pass orders accordingly:

Provided that the Commissioner shall not pass any order under this sub-section on his own motion if the decision or order sought to be revised had been made more than three years previously:

Provided further that the Commissioner shall not pass any order under this section prejudicial to any person unless he has had a reasonable opportunity of making his representations.

(2) The Commissioner may stay the execution of any such decision or order pending the exercise of his powers under sub-section (1) in respect thereof.

(3) Every application under sub-section (1) shall be preferred within ninety days from the date on which the order or proceeding to which the application relates was communicated to the applicant:

Provided that the commission may allow further time not exceeding thirty days for the filing of any such application if he is satisfied that the applicant had sufficient cause for not preferring the application within the time specified in this sub-section.

30. Computation of period of limitation.—In computing the period of limitation prescribed for an appeal or revision against any decision or order under this Act the time required for obtaining the certified copy of the decision or order shall be excluded.

31. Power to rectify any error apparent on the face of the record.—(1) The Urban Land Tax Officer, or the Assistant Commissioner, or the Deputy Commissioner, or the Commissioner, or the Tribunal may at any time within three years from the date of any order passed by him or it, rectify any error apparent on the face of the record:

Provided that no such rectification which has the effect of enhancing an assessment, shall be made unless such authority has given notice to the assessee and has allowed him a reasonable opportunity of being heard.

(2) Where such rectification has the effect of reducing an assessment, the amount due to the assessee shall be refunded to him.

(3) Where any such rectification has the effect of enhancing an assessment already made, the Urban Land Tax Officer shall give the assessee a revised notice of demand and thereupon the provisions of this Act and the rules made thereunder shall apply as if such notice had been given in the first instance.

32. Power to take evidence on oath, etc.—(1) The Tribunal, the Commissioner, the Assistant Commissioner,

or the Urban Land Tax Officer or any other officer empowered under this Act shall, for the purposes of this Act have the same powers as are vested in a court under the Code of Civil Procedure, 1908 (Central Act 5 of 1908), when trying a suit in respect of the following matters, namely:—

(a) enforcing the attendance of any person and examining him on oath;

(b) requiring the discovery and production of documents;

(c) receiving evidence on affidavit;

(d) issuing commissions for the examination of witnesses,

and any proceeding before the Tribunal, the Commissioner, the Assistant Commissioner, the Urban Land Tax Officer or any other officer empowered under this Act shall be deemed to be a judicial proceeding within the meaning of sections 193 and 228 and for the purposes of section 196 of the Indian Penal Code (Central Act 45 of 1860).

(2) In any case in which an order of assessment is passed **ex-parte** under this Act, the provisions of the Code of Civil Procedure, 1908 (Central Act 5 of 1908), shall apply in relation to such order as it applies in relation to a decree passed **ex-parte** by a court.

33. Power to call for information.—Where, for the purposes of determining the urban land tax payable by any person, it appears necessary for any authority or officer referred to in section 4 to obtain statement or information from any person, it or he may serve a notice requiring such person on or before a date to be specified therein, to furnish a statement or information on the points specified in the notice, and that person shall notwithstanding anything in any law to the contrary, be bound to furnish such statement or information to such authority or officer:

Provided that no legal practitioner shall be bound to furnish any statement or information under this section based on any professional communication made to him

otherwise as permitted by section 126 of the Indian Evidence Act, 1872 (Central Act 1 of 1872).

34. Service of notice.—(1) A notice unuder this Act may be served on the person therein named, either by post, or, as if it were summons issued by a court under the Code of Civil Procedure, 1908 (Central Act 5 of 1908).

(2) Any such notice may, in the case of firm or a Hindu Undivided Family, be addressed to any member of the firm, or to the manager or any adult member of the family, and in the case of a company or association of persons, be addressed to the principal officer thereof.

35. Power of State Government to issue order and directions.—The State Government may issue such orders and directions of a general character, as it may consider necessary in respect of any matter relating to the powers and duties of the Commissioner, the Deputy Commissioner, the Assistant Commissioner, the Urban Land Tax Officer or any other officer or authority empowered under this Act. Every authority or officer shall give effect to all such orders and directions.

36. Deleggation of powers.—The State Government may, by notification, direct that any power or function exercisable by the State Government, the Commissioner, the Deputy Commissioner, Assistant Commissioner or Urban Land Tax Officer under this Act or the rules made thereunder shall, in relation to such matters and subject to such conditions and restrictions as may be specified in such notification, be exercisable also by such officer or authority subordinate to the State overnment as may be specified in such notification:

Provided that the powers of the State Government under sections 1, 26, 28, 41 and 42 shall not be delegated under this section.

37. Bar of suits in civil courts.—(1) No suit shall lie in any civil court to set aside or modify any assessment made under this Act.

(2) Except as otherwise provided in this Act, the decision of any authority or officer under this Act shall be final and no civil court shall have jurisdiction to decide or deal with any question which by or under this Act is required to be decided or dealt with by the authorities or officers under this Act.

38. Indemnity.—No suit, prosecution or other legal proceeding shall lie against the State Government, the Tribunal, the Commissioner, the Deputy Commissioner, the Assistant Commissioner, the Urban Land Tax Officer or any other officer or authority empowered under this Act for anything which is in good faith done or intended to be done in pursuance of this Act or any rule or order made thereunder.

39. Power to enter upon land.—The Commissioner, the Deputy Commissioner, the Assistant Commissioner, the Urban Land Tax Officer, or any other officer empowered under this Act or any person acting under the orders of any such officer, may enter upon any urban land with such other officers and persons as he considers necessary and make a survey and take measurements thereof or do any other act which he considers necessary for carrying out the purposes of this Act.

40. Preparation of bookfl of assessment.—The State Government may, for the purposes of this Act, cause to be prepared a book of assessment containing,—

(a) particulars of urban land ;

(b) the name of the assessee ;

(c) the market value of the urban land ;

(d) the amount of urban land tax payable in respect of the urban land ; and

(e) such other particulars as may be prescribed.

41. Power to make rules.—(1) The State Government may, after previous publication by notification, make rules to carry out the purposes of this Act.

(2) In particular and without prejudice to the generality of the foregoing power, such rules may provide for—

(a) all matters expressly required or allowed by this Act to be prescribed ;

(b) the procedure to be followed by the Tribunal under this Act ;

(c) the form of appeal and application for revision under this Act ;

(d) the procedure to be followed by the Commissioner when exercising the powers of revision under this Act ;

(e) the fees payable in respect of applications and appeals under this Act ;

(f) the manner of rounding of the total amount of tax due from an assesseee.

42. Powers to remove difficulties.—If any difficulty arises in giving effect to the provisions of this Act, the State Government may, as occasion may require, by order published in the official Gazette, do anything which appears to it to be necessary for the purpose of removing the difficulty.

43. Rules, notifications and orders to be placed before the State Legislature.—Every rule made under this Act, every notification issued under clause (b) of sub-section (3) of section 1 or under section 26 and every order made under section 42 shall be laid as soon as may be after it is made, before each house of the State Legislature while it is in session for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if before the expiry of the session in which it is so laid or the sessions immediately following, both houses agree in making any modification in any such rule, notification or order or both houses agree that the rule, notification or order should not be made, the rule, notification or order shall thereafter have effect only in such

modified form or be of no effect, as the case may be; so however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule, notification or order.

44. Amendment of Karnataka Act 22 of 1964.—In the Karnataka Municipalities Act, 1964 (Karnataka Act 22 of 1964),—

(1) in sub-section (2) of section 94,—

(a) clause (a) shall be omitted ;

(b) in clause (b), for the words "on buildings" the words "on buildings or lands or both" shall be substituted ;

(2) in Schedule I, in paragraph A,

(a) item (i) shall be omitted ;

(b) in item (ii), the words, figure and brackets "not falling under (i)" shall be omitted.

SCHEDULE

(*See* section 3)

(1) Where the market value of the urban land does not exceed Rs. 5000/—	Nil
(2) Where the market value of the urban land exceeds Rs. 5000/- but does not exceed Rs. 15,000/—	0.5 per cent of the amount by which market value exceeds Rs. 15,000/—;
(3) Where the market value of the urban land exceeds Rs. 15,000/—but does not exceed Rs. 25,000;/—	Rupees fifty *plus* C-75 per cent of the amount by which the market value exceeds Rs. 15,000
(4) Where market value exceeds Rs. 25,000/—	Rs. 125 plus 1.00 *plus* cent of the amount by which market value exceeds Rs. 25,000-:

Provided that no urban land tax shall be payable in respect of any urban land the extent of which does not exceed two hundred and twenty three square meters (two thousand and four hundred square feet) and such land is used solely for residential purposes.

Explanation.—(1) For the purpose of assessment the extent of urban land held by an owner in one urban area shall not be included in the extent of urban land held by him in another urban area.

(2) If an owner holds more than one urban land in an urban area the urban land tax shall be calculated on the entire extent of the urban land held by the owner in that urban area.

Statement of Objects and Reasons

In order to augment the revenues of the State it is considered necessary to levy a tax on urban land. This tax is payable with effect from 1st April 1975 in the cities of Bangalore and Hubli-Dharwar and in the city municipalities of Mysore, Mangalore, Belgaum, Gulbarga, Bellary, Davangere, Bijapur, Shimoga and Bhadravati. In respect of other places the effective date will be notified. This tax will be in lieu of land revenue assessment including non agricultural assessment, ground rent, jodi or quit rent and any other amount specified by the State Government, payable in respect of that land. The levy will be at graduated scales on the market value of the urban land. Procedure for the determination of the market value is provided and the market value once determined will hold good for five years at a time. Appeal to Tribunal by the aggrieved is provided. Small bits of lands not exceeding 223 square meters and lands used for public purposes are exempted from the payment of the tax.

Financial Memorandum

It is proposed to administer the Act through the Revenue Department. It may become necessary to sanction some additional staff which may not exceed Rs. 5 lakhs per annum. The staff will be sanctioned only with reference to the work-load, utilising largely the existing machinery itself for assessment and collection. The yield from this tax cannot be estimated, but in the initial stages we may get a revenue of about Rs. 50 to Rs. 60 lakhs per annum and this may gradually go up to Rs. 1 crore or more per annum, in due course.

Memorandum Regarding Delegated Legislation

Clause 5.—Sub-clause (2) empowers the State Government to prescribe by rules the other factors that shall be taken into consideration for determining the market value of the urban land.

Clause 11.—This clause empowers the State Government to prescribe by rules the manner in which a copy of the order passed under section 10 shall be served on the owner.

Clause 13.—Sub-clause (1) empowers the State Government to prescribe by rules the other particulars that shall be specified in the notice of demand to be served on the assessee.

Clause 17.—Sub-clause (1) empowers the State Government to prescribe by rules the manner in which the urban land tax may be recovered from the occupier of the urban land where the owner of the urban land is not the occupier and is in default of payment of urban land tax.

Clause 18.—Sub-clause (3) empowers the State Government to prescribe by rules the form of notice to be given under the said clause

Clause 20.—Sub-clause (4) empowers the State Government to prescribe by rules the form of appeal to the Tribunal and the fee to be paid for such appeal.
land tax.

Clause 24.—Sub-clause (2) empowers the State Government to prescribe by rules the principles to which the authority exercising powers under sub-clause (1) shall have due regard.

Clause 25.—(1) Sub-clause (1) empowers the State Government to prescribe by rules subject to which the Urban Land Tax levied may be cancelled or modified.

(2) Sub-clause (2) empowers the State Government to prescribe by rules the form in which and the period within which an application to the Urban Land Tax Officer may be made for the cancellation or modification of the urban land tax.

Clause 26.—(1) This clause empowers the State Government where it is satisfied that the payment of urban land tax in respect of any class of urban land or any class of persons will cause undue hardship, by order to—

(a) exempt such lands or persons from the payment of the tax ; or

(b) reduce the amount of such urban land tax.

Whether prospectively or retrospectively.

(2) Sub-clause (2) of this clause empowers the State Government to prescribe rules subject to which an order issued under sub-clause (1) may be cancelled or modified.

Clause 40.—This clause empowers the State Government to prescribe by rules the other particulars which may be specified in the book of assessment.

Clause 41.—This clause empowers the State Government to make rules for the purposes specified therein.

Clause 42.—This clause empowers the State Government to remove by order, any difficulty that may arise in giving effect to the provisions of the Act.

Clause 43.—Every rule made under section 41 and every notification issued under sections 26 and 43 are required to be laid before both the Houses of the State legislature and are subject to the modification made by the Legislature.

The delegation of the proposed legislative power is of a normal character.

N. HUTCHAMASTHY GOWDA.

Te. HANUMANTHAPPA
Secretary.

ANNEXURE

Extract from the Karnataka Municipalities Act, 1964

* * * * *

94. Taxes which may be imposed.—(1)

* * * * *

(2) Notwithstanding anything contained in sub-section (1),—

(a) every municipal council shall levy such tax on lands under clause (i) of sub-section (1) which shall not be less than fifty naye paise for every one hundred square metres;

(b) every municipal council shall levy such taxes on buildings under clauses (i), (vii), (viii) and (ix) of sub-section (1) the aggregate of which shall not be less than,—

(i) Twelve and a half per cent of the annual rateable value in the cases of Town Municipalities;

(ii) seventeen and a half per cent of the annual rateable value in the case of the City Municipalities.

* * * *

SCHEDULE I

(SECTION 94)

Maximum Tax on Buildings or Lands, Tax or Dogs, Special Sanitary Cess, General Sanitary Cess, Water Rates and Lighting Tax.

Taxes	*Maximum rate per year*
A. Tax on buildings or lands or both—	
(i) Lands not occupied by buildings and not appurtenant to any building or attached thereto for use therewith as a garden or pleasure ground or for the pasturage of animals kept for private use.	Two rupees for every one hundred square metres.
(ii) Buildings or lands or both not falling under (i)—	
(*a*) In City Municipalities	Ten per centum on the annual rateable value
(*b*) In Town Municipalities	Eight per centum on the annual rateable value

Printed by the Director of Printing, Sty. & Publications at the Govt. Press, B'lore.